

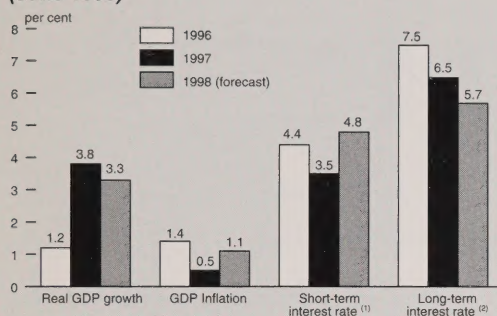
Government of Canada Securities

A Publication of the Department of Finance

October 1998

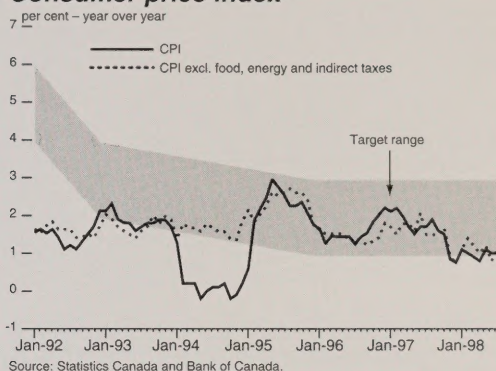
Canadian Economy

OECD economic forecast for Canada (June 1998)



(1) 90-day finance company paper.
(2) Over 10-year federal government bonds.
Source: OECD.

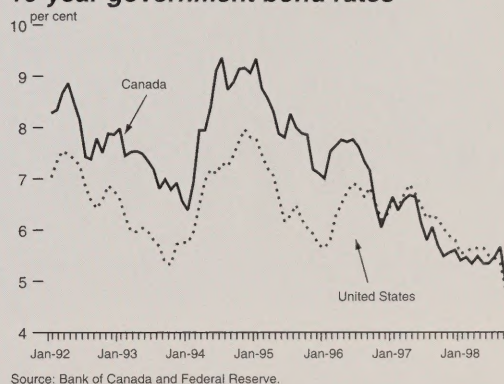
Consumer price index



3-month Treasury bill rates



10-year government bond rates



Upcoming economic data releases of interest

November

October Labour Force Survey
(November 6)

October CPI
(November 19)

1998Q3 National Accounts
(November 30)

September GDP
(November 30)

December

November Labour Force Survey
(December 4)

November CPI
(December 18)

October GDP
(December 24)

January

December Labour Force Survey
(January 8)

December CPI
(January 20)

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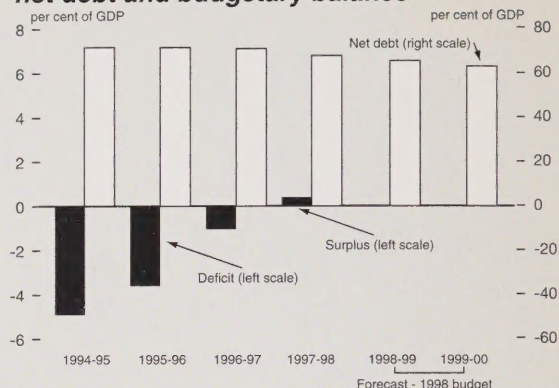
Canadian Economy

Selected Canadian economic statistics

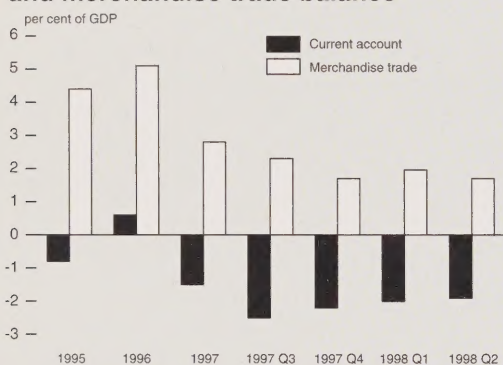
	1996	1997	1997 Q4	1998 Q1	1998 Q2
Annualized growth rates					
Real gross domestic product	1.2	3.8	2.8	3.1	1.3
GDP excluding inventories	2.0	3.0	1.6	3.4	3.6
Final domestic demand	2.0	4.3	1.6	0.8	6.1
Employment	1.3	1.9	1.8	3.0	2.7
Other					
Unemployment rate	9.7	9.2	8.9	8.6	8.4
Current account balance (per cent of nominal GDP)	0.6	-1.5	-2.2	-2.0	-1.9

Source: Statistics Canada.

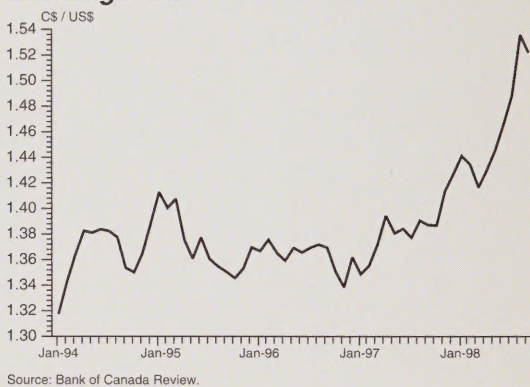
Government of Canada net debt and budgetary balance



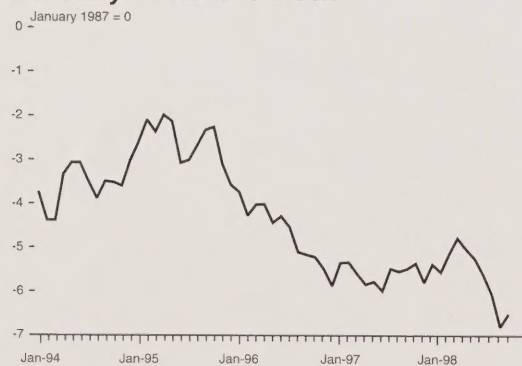
Canada's current account balance and merchandise trade balance



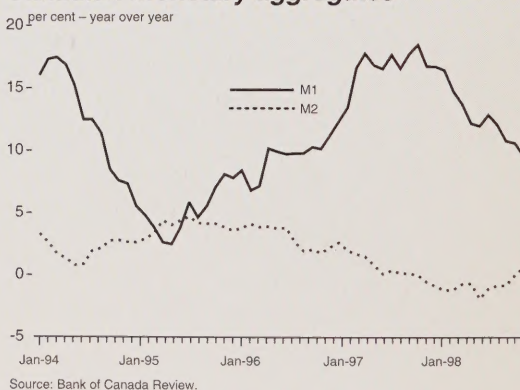
Exchange rate



Monetary conditions index



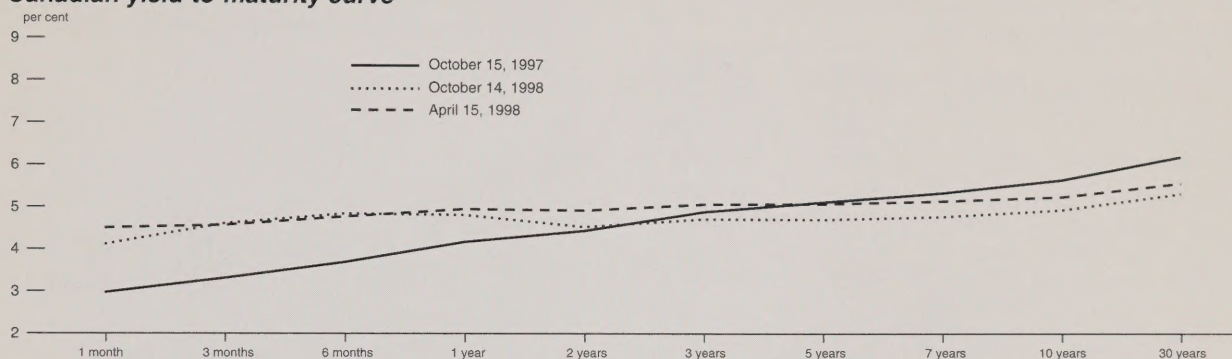
Canadian monetary aggregates



Government of Canada Securities

Secondary Market

Canadian yield-to-maturity curve



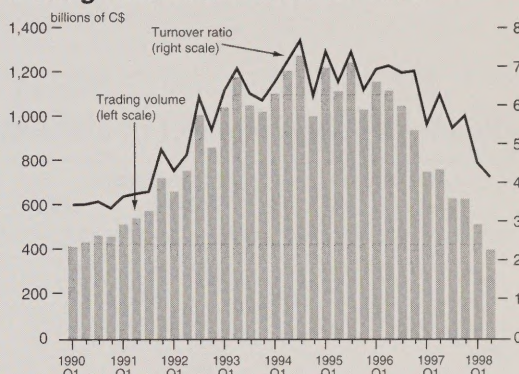
Source: Bank of Canada Review.

Government of Canada bonds trading volume and turnover ratio



Trading volume is total trading volume in each quarter.
 Turnover ratio = total trading volume in each quarter/stock.
 Source: Bank of Canada.

Government of Canada Treasury bills trading volume and turnover ratio



Trading volume is total trading volume in each quarter.
 Turnover ratio = total trading volume in each quarter/stock.
 Source: Bank of Canada.

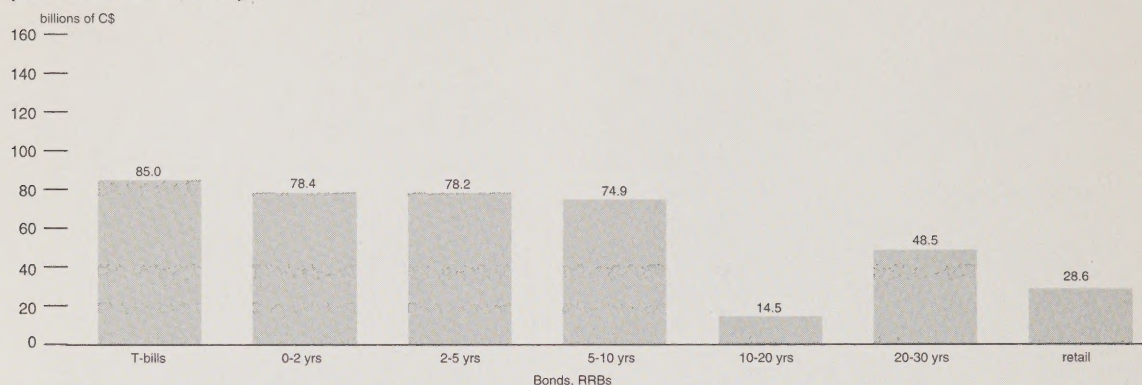
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Government of Canada Securities

Primary Market

Outstanding Government of Canada Treasury bills, bonds (by term maturity) and retail debt (as of October 14, 1998)



Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage	Tail
	(years)		(%)	(millions of dollars)		(%)		(basis points)
1998-10-28	30	2029-06-01	5.75	1700	104.866	5.422	2.34	2.0
1998-09-09	2	2000-12-01	5.00	3,500	99.22	5.376	1.9	1.2
1998-09-02	30	2026-12-01	4.25*	400	101.148	4.18	2.5	n.a.
1998-08-26	5	2003-09-01	5.25	2,400	98.505	5.597	2.1	0.8
1998-08-12	10	2009-06-01	5.50	2,300	99.67	5.54	2.2	0.3

Coverage is defined as the ratio of total bids (incl. all on-competitive bids) at auction to the amount auctioned.

Tail is defined as the high accepted yield minus the average yield.

*Real Return Bonds.

Source: Department of Finance.

Recent and forthcoming Government of Canada bond auctions

Type of issue	Auction date (1998)	Further details of issue (1998)	Dated and delivered (1998)	Amount maturing
				(millions of dollars)
10-year auction	November 4	October 29	November 16	—
5-year auction	November 25	November 19	December 1	2,275
RRB auction*	December 2	November 25	December 7	—
2-year auction	December 9	December 3	December 15	—

*Single-price auction format.

Government of Canada Securities

Primary Market

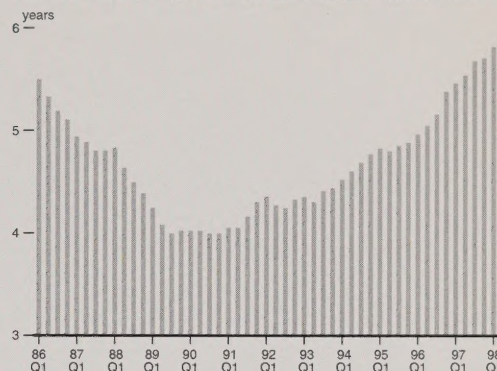
Government of Canada bond market benchmarks (October 21, 1998)

Term	Maturity	Coupon	Amount outstanding	Yield Oct. 21/98
		(%)	(millions of dollars)	(%)
Fixed coupon				
2-year	Dec 1/00	5.00	7,000	4.45
5-year	Sep 1/03	5.25	7,200	4.63
10-year	Jun 1/08	6.00	9,200	4.91
30-year	Jun 1/27	8.00	9,600	5.38
Real return				
30-year	Dec1/26	4.25	4,850	4.02

The normal bid-ask spread on these bonds is 5 cents.

Source: Department of Finance.

Average term to maturity of Government of Canada marketable debt



Forthcoming Government of Canada marketable bond maturities

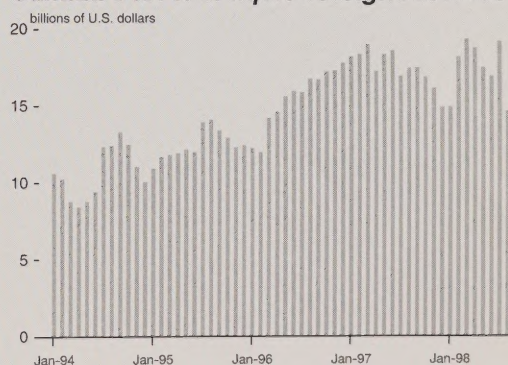
October-December 1998	January-March 1999	April-June 1999	July-September 1999	October-December 1999
(millions of dollars)				
10,475	12,700	0	21,100	3,752.5

Outstanding Government of Canada / Foreign-currency debt (as of September 30, 1998)

	(millions)
Canada Bills	US\$7,569
Canada Notes	US\$521
Outstanding under EMTN program	US\$1,430
Floating rate note maturing February 1999 (paying LIBOR less 25 basis points)	US\$2,000
6 1/2% US\$ bonds maturing May 30, 2000	US\$1,500
6 1/2% US\$ bonds maturing May 30, 2001	US\$1,000
6 1/2% US\$ bonds maturing July 15, 2002	US\$1,000
5% US\$ bonds maturing February 19, 2003	US\$2,000
6% US\$ bonds maturing July 21, 2005	US\$1,500
6% US\$ bonds maturing August 28, 2006	US\$1,000
6% NZ\$ bonds maturing October 3, 2007	US\$319
4% DM bonds maturing July 7, 2008	US\$2,200

Source: Department of Finance.

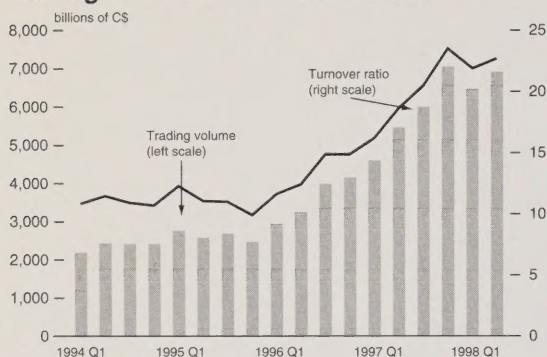
Canada's level of liquid foreign reserves



Government of Canada Securities

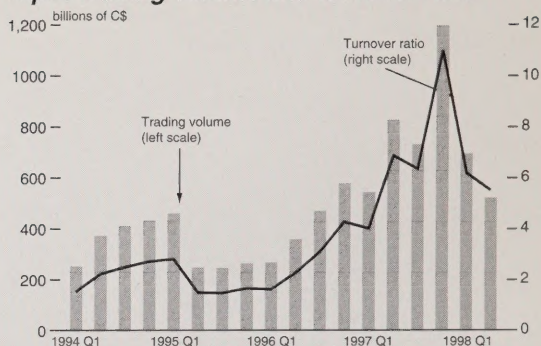
Secondary Market

Government of Canada bond repos trading volume and turnover ratio



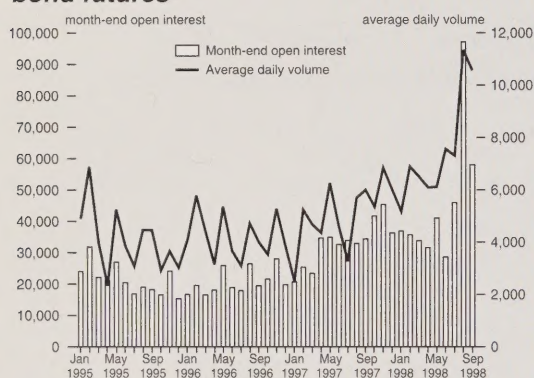
Trading volume is total trading volume in each quarter.
Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

Government of Canada Treasury bill repos trading volume and turnover ratio



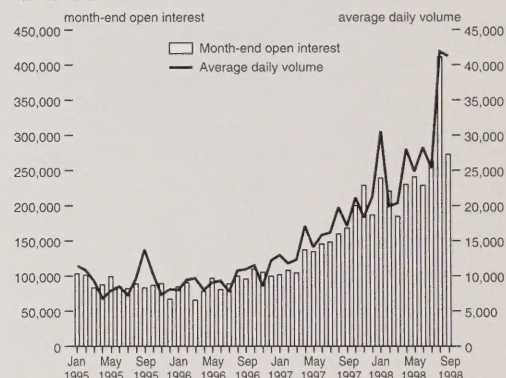
Trading volume is total trading volume in each quarter.
Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

10-year Government of Canada bond futures



Source: The Montreal Exchange.

3-month bankers acceptance futures



Source: The Montreal Exchange.

Government of Canada long-term credit ratings (as of October 15, 1998)

	Standard and Poor's Current	Moody's Investor Service Current	Canadian Bond Rating Service Current	Dominion Bond Rating Service Current
Domestic Debt	AAA	Aa1	AA+	AAA
- Trend	Stable	-	Stable	Stable
Foreign Debt	AA+	Aa2	AA+	AA(high)
- Trend	Stable	-	Stable	Stable

This publication is also available on the Internet at <http://www.fin.gc.ca/>

Except as noted, the information in **Government of Canada Securities** is based upon data available as of October 31, 1998.

For further information, contact Sandra Lavoratore (613) 947-3919.

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